



## 3 of the Best Ways to Invest in the Canadian Retail Industry Today

### Description

The Canadian retail industry has been a consistent source of growth over the last few years, and savvy investors are constantly on the lookout for ways to profit from this trend, but it is not always easy finding the right stock at the right price. To make things easier, I have compiled a list of three companies that operate in different areas within the industry, so let's take a closer look at each to determine which would fit best in your portfolio.

#### 1. Loblaw Companies Limited: Grocery stores and pharmacies

**Loblaw Companies Limited** ([TSX:L](#)) is the largest owner and operator of grocery stores and pharmacies in Canada. At today's levels, its stock trades at 18.5 times fiscal 2015's estimated earnings per share of \$3.49 and 16.1 times fiscal 2016's estimated earnings per share of \$4.01, both of which are inexpensive compared with the industry average price-to-earnings multiple of 23.9. In addition, the company pays a quarterly dividend of \$0.25 per share, or \$1.00 per share annually, giving its stock a 1.5% yield.

#### 2. Dollarama Inc.: Dollar stores

**Dollarama Inc.** ([TSX:DOL](#)) is the largest owner and operator of dollar stores in Canada. At current levels, its stock trades at 28.8 times fiscal 2016's estimated earnings per share of \$2.63 and 24.5 times fiscal 2017's estimated earnings per share of \$3.09, both of which are inexpensive compared with the industry average price-to-earnings multiple of 31.4. Additionally, the company pays a quarterly dividend of \$0.09 per share, or \$0.36 per share annually, which gives its stock a 0.5% yield.

#### 3. Leon's Furniture Ltd.: Furniture stores

**Leon's Furniture Ltd.** ([TSX:LNF](#)) is the largest owner and operator of furniture stores in Canada. At today's levels, its stock trades at 15.3 times fiscal 2015's estimated earnings per share of \$1.03 and 14.1 times fiscal 2016's estimated earnings per share of \$1.12, both of which are inexpensive compared with the industry average price-to-earnings multiple of 18.7. In addition, the company pays a quarterly dividend of \$0.10 per share, or \$0.40 per share annually, giving its stock a 2.5% yield.

## Which retail stock should you buy today?

Loblaw, Dollarama, and Leon's Furniture are three of the best long-term investment opportunities in the retail industry today. Foolish investors should take a closer look and strongly consider making one of them a core holding.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)
2. TSX:L (Loblaw Companies Limited)

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